



City of Seattle
Office of the Mayor

August 21, 2012

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill that will create a three-unit condominium on the property located at 1620 12th Avenue East, commonly referred to as the East Precinct Parking Facility, and convey and ground lease the units to Capitol Hill Housing (CHH) to develop a garage with a minimum of 111 stalls for the exclusive use of the Seattle Police Department (SPD), 88-units of affordable housing, 15,000 square feet of community commercial space for non-profit groups including Capitol Hill Housing, two performing arts spaces, and pedestrian-oriented retail. Transfer of the units is required in order for CHH to access new market tax credits for the project.

The subject site, which was purchased in the mid-1980's to provide parking for the East Precinct, currently has 77 parking stalls, a backup generator, and a car wash depot. A Letter of Intent (LOI) that laid out the basic terms and conditions of the property sale was negotiated and signed by both parties in May 2011. Subsequent to executing the LOI, City staff, CHH and the architect team concluded that a number of changes were necessary, including additional excavation for the garage.

The City's Office of Housing, using 2009 Seattle Housing Levy funds, has awarded the housing portion of the development a loan of up to \$7.7 million. As a requirement to receive the Office of Housing money, CHH is obliged to lease every apartment to individuals and families earning less than 60% of the median income. Companion legislation from the Office of Economic Development proposes to provide the commercial portion of the project with up to \$1.0 million in a Section 108 HUD Loan, which requires that a certain number of jobs be created in order to receive the funding.

This development meets the call for new mixed-use commercial space and affordable housing opportunities outlined in both the Capitol Hill and Pike/Pine Neighborhood Plans, while supporting SPD's long-term requirements for the East Precinct. Should you have questions, please contact Bill Craven at 733-9238.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
Office of the Mayor
600 Fourth Avenue, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

Tel (206) 684-4000
Fax (206) 684-5360
TDD (206) 615-0476
mike.mcgin@seattle.gov